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Arizona Corporation Commission

DOCKETED

NOV 16 2018

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November 16, 2018

ARIZONA CORPORATION COMMISSION

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2018 NOV 16 P 4:55  
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**RE: Integrated Resource Planning (E-00000V-15-0094)**

Dear Chairman Forese,

I am writing to the docket today to formally request that you schedule for the upcoming Open Meeting on December 17th, 2018, a discussion and possible vote regarding an extension to our moratorium on building new natural gas power plants in the state.

On March 13, 2018, the Commission voted for the first time to not acknowledge the Integrated Resource Plans (IRP) presented by Arizona Public Service (APS) and Tucson Electric Power (TEP). What was striking to the commissioners at the time was how dependent the IRPs' future resource portfolios were on new natural gas generation. The plan presented by APS, for instance, called for over 5,000 MW of new natural gas generation but only 16 MW of new utility-scale solar power, with no clear commitment for a market area gas storage solution.<sup>1</sup> It was clear at that time that the Commissions of the past had simply rubber-stamped the planning done by its regulated utilities, instead of presenting an energy policy vision for the state and encouraging the utilities to comply. Something needed to change.

At the same Open Meeting, primarily in response to the signals within these IRPs, the Commission set further precedent by placing a moratorium on the buildout of new natural gas plants larger than 150 MW.<sup>2</sup> As you recall from the Commission's discussions during the Open Meeting, the intent of this moratorium was to avoid building costly new generation infrastructure until the Commission could develop a long-term comprehensive energy plan to give regulated utilities a better sense of the priorities of the Commission for our energy future. This moratorium is still in effect today and has been a valuable tool over the last 8 months in assisting the Commission move forward with a comprehensive energy plan.

When voting previously, the Commission agreed that the moratorium would expire on January 1st, 2019. The Commission felt that this date would allow the Commission adequate time to discuss potential and proposed policies and begin a formal rulemaking on a new energy plan. Unfortunately, while there has been some progress to-date such as opening a new docket, such a

<sup>1</sup> See, e.g. Correspondence from Commissioner Andy Tobin (Nov. 14, 2018), PDF available at: <http://docket.images.azcc.gov/0000193692.pdf>.

<sup>2</sup> See Andy Tobin's Proposed Amendment No. 4, PDF available at: <http://docket.images.azcc.gov/0000186484.pdf> (passing 4-1 on 3/13/2018; see Video Archive of Open Meeting, 5:11:07-05:21:59, recording available at: [http://azcc.granicus.com/MediaPlayer.php?view\\_id=3&clip\\_id=2982](http://azcc.granicus.com/MediaPlayer.php?view_id=3&clip_id=2982)); see also Decision No. 76632, p.51, line27, PDF available at: <http://docket.images.azcc.gov/0000186964.pdf>.

formal rulemaking has still not occurred and does not seem imminent within the next 45 days. With the existing expiration date being less than 60 days away and the Commission still having no formal policy adopted, my concern is that, if the moratorium expires as planned, utilities may once again consider large capital investments in generating facilities and undermine the effectiveness of any energy plan we adopt in the future.

At the November 7, 2018 Open Meeting, Utilities Director Eli Abinah presented a schedule of recommended workshops to address individual topics that could be included in a new energy policy. According to the proposed schedule, the last workshop is to take place in July 2019. Therefore, in the interest of upholding our original intent with the moratorium and adhering to our proposed schedule, I would specifically urge that the Commission consider whether or not the existing moratorium should be extended until at least the conclusion of these workshops, i.e., on or about August 1, 2019.

In theory, the conclusion of these workshops will give the commissioners additional background and information that can help us adopt a framework for the new rules surrounding a comprehensive energy plan. Until we reach such conclusion however, I believe it is in the best interest of the ratepayers that we continue to slow the immediate buildout of this infrastructure until we have a clearer picture of where this Commission would like regulated utilities to head in the future.

Sincerely,



Andy Tobin  
Commissioner

On this 16th day of November, 2018, the foregoing document was filed with Docket Control as a Correspondence From Commissioner, and copies of the foregoing were mailed on behalf of Andy Tobin, Commissioner - A.C.C. to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

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